9/5/85 44110-1

NONMANUFACTURING LEADS THE WAY . . . AGAIN
Signs of Improvement in Manufacturing

Gains in the Pennsylvania nonmanufacturing sector again overshadowed continued weakness in manufacturing during June. The net result was positive, but far from spectacular, economic growth for the month.

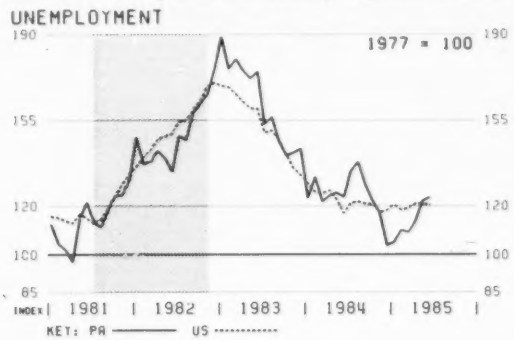
There were nearly 5.17 million Pennsylvania residents employed in June, up by 128 thousand from the previous month. This stronger than normal increase resulted in a seasonally adjusted increase of 1.1 percent, and left employment 0.9 percent higher compared to June 1984.

Resident unemployment totalled 517 thousand in June, up from May's 460 thousand. This unusually large increase translates into a 1.1 percent seasonally adjusted advance, putting the number of unemployed slightly below the year-earlier level. As a result of the nearly identical increases in employment, unemployment, and the labor force, the seasonally adjusted employment rate remained at 8.8 percent for the second consecutive month, but was down from the June 1984 8.9 percent rate.

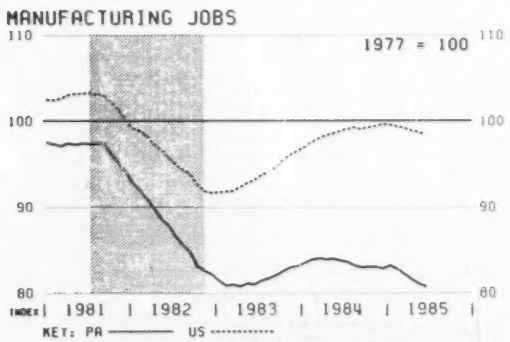
Nationally, employment totalled 107.8 million in June, up 939 thousand from May. This less than normal increase resulted in a seasonally adjusted decline of 0.2 percent, and left employment 0.9 percent higher than in June 1984. There were nearly 8.8 million people unemployed in the nation during June, an increase of 742 thousand over May. As a result of this less than usual increase, there was a seasonally adjusted decline of 1.1 percent from May, leaving the number of unemployed 2.1 percent higher than in June 1984. The seasonally adjusted unemployment rate remained at 7.3 percent.

Employment in the State's nonagricultural establishments rose by 35 thousand in June to 4.77 million. The increase of 29 thousand in nonmanufacturing was larger than expected, and translates into a 0.4 percent seasonally adjusted advance. Manufacturing employment rose by a less than normal 6,000, for a 0.4 percent seasonally adjusted decline.

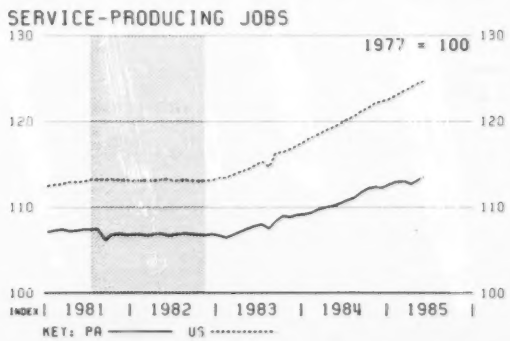
SHADED AREA REPRESENTS PERIOD OF NATIONAL RECESSION



SHADED AREA REPRESENTS PERIOD OF NATIONAL RECESSION



SHADED AREA REPRESENTS PERIOD OF NATIONAL RECESSION



SHADED AREA REPRESENTS PERIOD OF NATIONAL RECESSION

PENNSYLVANIA BUSINESS SURVEY

College of Business Administration The Pennsylvania State University **August 1985**

Total establishment-related employment rose by a seasonally adjusted 0.2 percent. Establishment-related employment grew 1.7 percent over the June-to-June period. Nonmanufacturing employment was up by 3.4 percent, while manufacturing employment fell by 3.7 percent.

Employment gains occurred in most of Pennsylvania's nonmanufacturing industries during June. The service-producing group, which accounts for a major portion of nonmanufacturing employment, realized a 0.5 percent seasonally adjusted increase in employment. Public utilities and services led the way with growth rates of 1.0 and 0.8 percent, respectively. Within the service-producing group, only transportation-related employment declined during the month. Construction employment rose by 4.5 percent, while a 2.2 percent decrease occurred in mining employment. All industries except mining and public utilities realized employment gains between June 1984 and June 1985.

The increase in durable goods employment in Pennsylvania during June was less than normal, resulting in a 0.8 percent seasonally adjusted decline from May and a 4.6 percent decline from June 1984. On the nondurables side, the advance was stronger than normal, resulting in a 0.1 percent seasonally adjusted increase. Between June 1984 and June 1985, nondurable goods employment fell by 2.5 percent.

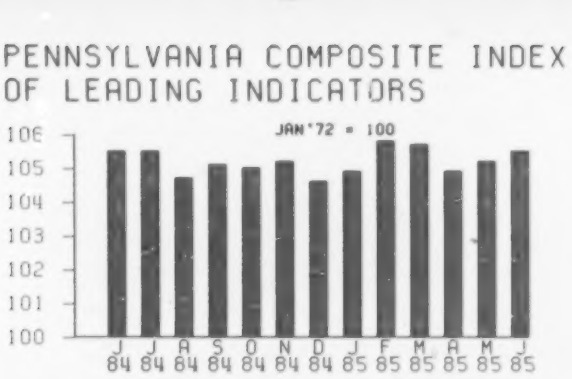
Nationally, nonagricultural employment increased by a seasonally adjusted 0.1 percent in June, leaving it 3.3 percent higher than in June 1984. Nonmanufacturing employment rose by a seasonally adjusted 0.2 percent. There was an increase in service-producing employment, while declines occurred in mining and construction. Manufacturing employment fell by a seasonally adjusted 0.2 percent during the month, and by 0.3 percent over the twelve-month period.

Additional evidence of sluggish manufacturing activity can be found in electric power sales to industrial customers. Sales by Pennsylvania utilities fell a seasonally adjusted 3.2 percent in June, and were 6.6

Economic Activity in Pennsylvania	1985 *May*	1985 *June*	1984 *June*	Seasonally Adjusted Indexes (1977 = 100) 1985 *May*	1985 *June*	1984 *June*
Pennsylvania Industries						
All nonagricultural industries						
No. of wage and salaried jobs (thous.)[1]	4,730.*	4,765.	4,692.	103.0	103.2	101.5
Nonmanufacturing						
No. of wage and salaried jobs (thous.)	3,638.*	3,666.	3,549.	112.1*	112.6	108.9
Manufacturing						
No. of wage and salaried jobs (thous.)	1,089.*	1,095.	1,136.	81.0	80.7	83.8
Ave. wkly. hrs. worked by prod. workers	39.6*	40.0	40.2	100.2*	100.8	101.5
Total wkly. person-hours worked (mils.)	29.4*	30.0	31.7	76.4*	76.8	81.1
Total wkly. payroll (mil. dols.)	280.7*	287.3	292.8	124.8*	126.1	128.6
Steel production (thous. tons)	1,077.	1,006.	1,236.	45.	46.	57.
Industrial electric power sales (mil. kwh)	3,472.	3,495.	3,692.	96.	93.	99.
Mining						
Anthracite coal (thous. net tons)	329.	308.	293.	68.	70.	65.
Bituminous coal (thous. net tons)	5,719.	n.a.	6,625.†	81.	n.a.	95.†
Construction contracts awarded (mil. dols.)						
Total	751.5	728.7	770.4*	227.	172.	182.*
Residential building	329.2	330.2	291.9*	179.	179.	157.*
Other building	289.9	157.4	269.6*	347.	134.	217.*
Nonbuilding (utilities and public works)	132.4	241.1	208.9*	139.	212.	180.*
Employment of Pennsylvania Residents						
Employed, no. of persons (thous.)	5,040.	5,168.	5,122.	105.5	106.7	105.8
Unemployed						
No. of persons (thous.)	460.	517.	518.	122.0	123.3	123.5
Rate (percentage of labor force)	8.4	9.1	9.2			
Rate, seasonally adjusted	8.8	8.8	8.9			
Civilian labor force, no. of persons (thous.)	5,500.	5,685.	5,640.	106.8	108.0	107.2
Initial claims for unemployment benefits	106,406.	105,741.	108,249.	87.0	83.4	81.7

Consumer Prices, all items	Urban Indexes (1967 = 100) 1985 *May*	1985 *June*	1984 *June*	Percentage Change *Month Ago*	*Year Ago*
U.S. city average	321.3	322.3	310.7	+0.3	+3.7
Philadelphia	314.2	314.2	300.0	0.0	+4.7
Pittsburgh	n.a.	325.9	319.7	n.a.	+1.9
Northeast PA	306.0	n.a.	294.7†	n.a.	+3.8

NOTES: Data on employment, payrolls and hours have been revised to first quarter 1984 benchmarks.
[1] Total includes workers on strike. * = figure revised † = figure for May 1984 n.a. = data not available
SOURCES AND DEFINITIONS OF DATA ARE AVAILABLE ON REQUEST.



Pennsylvania Composite Indexes

	Index		Percentage Change from Preceding Month	
	Leading	*Coincident*	*Leading*	*Coincident*
November	105.2	88.6	0.2	0.1
December	104.6	88.8	-0.6	0.2
January 1985	104.9	88.3	0.3	-0.6
February	105.8	88.0	0.9	-0.3
March	105.7	88.2	-0.1	0.2
April	104.9	87.6	-0.8	-0.7
May	105.2	87.2	0.3	-0.7
June	105.5	87.8	0.2	0.7

percent lower than in June 1984.

There were, however, some signs of improvement in the manufacturing sector. The increase in total weekly hours worked and in total weekly payrolls was stronger than normal, resulting in seasonally adjusted increases of 0.5 and 1.0 percent, respectively. Both indicators were down from their June 1984 levels, total hours worked by 5.3 percent and payrolls by 1.9 percent. The average factory workweek rose by 0.2 of an hour to 39.8 hours per week after adjustment for seasonal variation. This is down from June 1984's level of 40.1 hours. Production in Pennsylvania steel mills rose by a seasonally adjusted 3.4 percent in June as a result of a lower than usual decline in output, but was down 18.8 percent over the June-to-June period. Furthermore, output in the State's coal mines edged up.

Construction activity, as measured by the value of contracts awarded, was sluggish in June. The dollar value of total construction contracts awarded was down by a seasonally adjusted 24.3 percent from May and was down by 5.9 percent from the previous year. All of the decline occurred in the nonresidential building category, where the value of contracts fell by a seasonally adjusted 61.3 percent. There was a seasonally adjusted increase in the nonbuilding category of 52.7 percent, while the slight increase in residential contracts was strictly seasonal.

Clearly, there are conflicting signals coming from the various sectors of the economy. These signals suggest a healthy nonmanufacturing sector coupled with a weak but perhaps improving manufacturing sector, giving rise to an economy moving ahead at a slow pace. There are serious doubts concerning the ability of the nonmanufacturing sector to keep the economy moving without help from manufacturing.

One of the largest problems facing manufacturers is the high value of the dollar in currency markets, causing an increase in the price of domestically produced goods relative to foreign goods. Any policy-induced reduction in the dollar's value will probably come from the fiscal side. A reduction in the budget deficit will lower interest rates and make dollar-denominated assets less attractive. The value of the dollar has declined in recent months, probably due to lower interest rates resulting from an easier monetary policy. However, any further relaxation would bring with it the fear of renewed inflation, and is unlikely.

Despite the problems associated with this diversity in the performance of the two sectors, the Pennsylvania index of coincident indicators, which tends to rise and fall with economic activity, rose by 0.7 percent, reversing two consecutive months of decline. The index of leading indicators, which predicts turning points in the business cycle, rose by 0.2 percent, the second consecutive increase in the index. Two of the three components of the index contributed to the increase. The decline in initial claims for unemployment insurance was more than seasonal, while the increase in the factory workweek was larger than usual. The increase in the third component, residential construction contracts, was no more than expected.

— William D. Anderson

PENNSYLVANIA BUSINESS SURVEY

August 1985 Vol. 26, No. 8

Published monthly by the Center for Research of the College of Business Administration, 103 Business Administration Bldg. II, The Pennsylvania State University, University Park, PA 16802. Subscription rate: $6.00 a year. (ISSN 0031-4382)

Eugene J. Kelley, Dean of the College
Paul H. Rigby, Assistant Dean and Director of the Center for Research
Rodney A. Erickson, Director of the Pennsylvania Economic Analysis Program and Associate Director of the Center for Research
William D. Anderson, Assistant Director of the Pennsylvania Economic Analysis Program
Doris Bickle, Staff Assistant
Valeria J. Martin, Office Manager
Sheri A. Coval, Subscription Coordinator
Shahab Gerami, Graduate Assistant

The content of this publication is not copyrighted and may be reproduced freely, but acknowledgment of source will be appreciated.

Around the State

It is often enlightening to compare the economic trends in the metropolitan areas to those at the State level. Statewide trends last quarter were as follows:

- Employment rose by a seasonally adjusted 0.6 percent from the first quarter and by 2.0 percent from a year ago.
- Unemployment rose by 10.6 percent during the quarter, but declined by 3.7 percent from a year earlier.
- Nonfarm employment declined by a seasonally adjusted 0.3 percent last quarter, leaving it 1.6 percent above a year ago.
- The average factory workweek was 39.7 hours per week, up by 0.1 of an hour from the first quarter, but down by 0.5 of an hour from last year. Last quarter's rise was less than normal.
- Electric power sales to industrial customers declined by an adjusted 1.0 percent from the first quarter and by 4.7 percent from last year.
- Residential construction jumped 86 percent on a quarterly basis and 17.4 percent on an annual basis when measured by the value of construction contracts. The value of nonresidential construction contracts rose by 43.6 percent, but fell by 1.3 percent from a year ago.

Southeastern Quarter

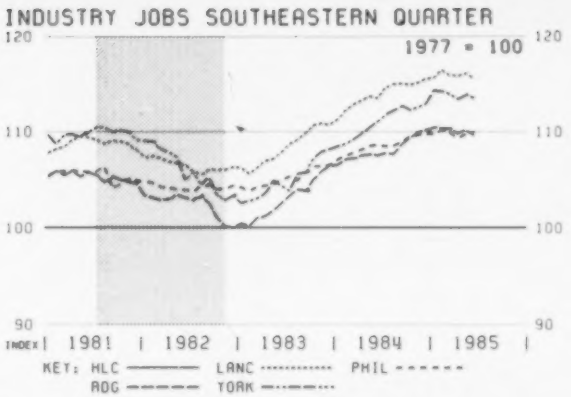
Harrisburg-Lebanon-Carlisle

Due to the relatively large role of its nonmanufacturing sector and the resulting lack of cyclical sensitivity, the Harrisburg-Lebanon-Carlisle area economy has moved forward at a fairly steady pace. Resident employment rose to 296.7 thousand in the second quarter for a 1.0 percent seasonally adjusted advance. During the twelve months ending with the quarter, employment in the area rose by 3.2 percent.

There was a seasonally adjusted increase of 8.4 percent in the number of unemployed during the quarter, leaving the figure a slight 0.8 percent above the year-earlier period. The unemployment rate rose by 0.3 points, to an adjusted 5.7 percent, putting it 0.2 points below last year.

Improvements have occurred in the area's economy since the "official" end of the national recession in the fourth quarter of 1982. Since then, employment increased by 8.0 percent and the unemployment rate fell 2.3 percentage points. Although total employment surpassed the level prevailing in 1979, a period preceding the back-to-back recessions early in this decade, both the number of unemployed and the unemployment rate failed to decline to 1979 levels.

Employment in nonagricultural establishments fell by a seasonally adjusted 0.1 percent in 1985:IIQ, to 274.3



thousand, leaving it 2.0 percent higher than in the year-ago period. All of the decline occurred in manufacturing, where employment fell by 1.7 percent from the previous quarter and by 4.0 percent over the year. Employment in nonmanufacturing grew at a seasonally adjusted quarterly rate of 0.3 percent and an annual rate of 3.6 percent.

Establishment-related employment in the area advanced considerably during the recovery, surpassing 1979 levels by 4.3 percent. In manufacturing, employment declined by 12.2 percent from 1979, but was still 0.6 percent higher than at the trough.

The average factory workweek rose by one-tenth of an hour, to 39.2 hours per week, well below last year's 39.9 hours. Reflecting the downturn in manufacturing activity, industrial power sales fell by 5.6 percent for the quarter and by nearly 24 percent over the year.

On the construction front, the value of residential building contracts awarded was double the previous quarter's level, and was 15.9 percent higher than in the year-ago period. The value of nonresidential contracts fell at a quarterly rate of 12.7 percent and an annual rate of 33.2 percent.

Lancaster

The Lancaster Metropolitan Statistical Area (MSA) experienced the lowest unemployment rate of all the regions in the just-ended quarter, 4.8 percent after seasonal adjustment. The 0.5 point rise in the rate from the previous period was partially the result of a 15.2 percent seasonally adjusted quarterly advance in the number of unemployed. Relative to the year-earlier quarter, the unemployment rate was the same, while the number of unemployed rose by 4.4 percent.

Employment in the Lancaster area totalled 187.7 thousand in the quarter, a 0.6 percent seasonally adjusted advance from the previous period, leaving it 3.0 percent higher than last year.

For the most part, the area's economy performed well relative to the trough and to 1979. Employment surpassed the latter level by 10.2 percent. The unemployment rate declined by an adjusted 3.1 points since the trough, and was but 0.3 points higher than in 1979. Although significantly below the 1982:IVQ trough level, the number of unemployed was 20 percent higher than in 1979.

Harrisburg-Lebanon-Carlisle Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	296.7	115.	114.	111.
Unemployed, no. of residents	17.4	118.	108.	117.
Rate, seasonally adjusted	5.7			
Civilian labor force, no. of residents	314.1	115.	114.	112.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	274.3	110.	110.	108.
Nonmfg. only, no. of jobs	222.4	115.	114.	111.
Mfg. only, no. of jobs	51.9	95.	96.	99.
Hrs. worked by production workers in mfg., *ave. weekly*	39.2	n.a.	n.a.	n.a.
Industrial electric power sales	***	71.	75.	94.

Construction contracts awarded *(in millions of dollars)*	Total *2 Q.'85*	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	56.2	+104.	+16.
Nonresidential contracts only	21.9	− 13.	−33.

[1]Cumberland, Dauphin, Lebanon, and Perry Counties

Establishment-related employment was 2.0 percent higher relative to the year-ago period in the second quarter despite a 0.2 percent seasonally adjusted decline during the quarter. Again, all of the annual increase occurred in the nonmanufacturing sector, where employment grew by 4.8 percent over the 1984:IIQ-1985:IIQ period. Manufacturing employment fell by 2.7 percent over the same period.

Nonagricultural employment grew by 5.6 percent in the Lancaster area since 1979. Because manufacturing employment declined over the period by 6.7 percent, all of the advance occurred in the nonmanufacturing sector. Relative to the 1982:IVQ trough, manufacturing employment was 3.9 percent higher last quarter.

Despite the slump in manufacturing activity, the average workweek rose by 0.2 of an hour in the second quarter, to 39.5 hours per week, still below last year's level of 39.7 hours. Electric power sales to industrial customers fell by a seasonally adjusted 1.6 percent, but were higher than in the same period from last year by 0.9 percent.

Construction activity was impressive in the MSA during the second quarter. The value of contracts awarded for nonresidential construction more than doubled, while the value of residential contracts rose by 70 percent. Both categories experienced growth over the course of a year.

Philadelphia

As with most areas in the State, the Philadelphia regional economy moved ahead slightly in the second quarter despite a stronger than normal increase in unemployment. The number of unemployed increased by 5,000 in the second quarter, a seasonally adjusted 6.5 percent advance, giving rise to a 6.3 percent adjusted unemployment rate, up by three-tenths of a point. Unemployment was down from last year.

Resident employment rose by a seaonally adjusted 0.6 percent to over 2.1 million during the quarter. This is 1.6 percent higher than in the year-ago quarter.

Lancaster Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	187.7	120.	119.	116.
Unemployed, no. of residents	9.3	117.	102.	112.
Rate, seasonally adjusted	4.8			
Civilian labor force, no. of residents	197.0	120.	118.	116.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	164.7	116.	116.	113.
Nonmfg. only, no. of jobs	107.7	126.	125.	120.
Mfg. only, no. of jobs	57.0	100.	102.	103.
Hrs. worked by production workers in mfg., *ave. weekly*	39.5	100.	100.	100.
Industrial electric power sales	***	122.	124.	121.

Construction contracts awarded *(in millions of dollars)*	Total *2 Q.'85*	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	54.8	+ 70.	+ 13.
Nonresidential contracts only	11.4	+107.	+133.

[1]Lancaster County

The MSA was less severely affected by the recession in the early 1980's than most. Employment was actually higher at the trough than in 1979, and was 7.7 percent higher in the just-ended quarter relative to the pre-recessionary year. Although unemployment rose during the slump, the situation has since improved in that second quarter's level was 2.5 percent lower than in 1979. The unemployment rate was 0.7 points lower relative to 1979.

Employment in nonagricultural establishments increased less than expected in the second quarter, resulting in a 0.3 percent seasonally adjusted fall, leaving it 1.1 percent higher than a year ago. Manufacturing employment fell by 0.9 percent for the quarter and by 0.2 percent over the four-quarter period. The increase in nonmanufacturing employment of 26 thousand was no more than normal, leaving the sector's employment level 1.6 percent higher than a year ago.

Philadelphia Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	2121.2	113.	112.	111.
Unemployed, no. of residents	145.7	82.	77.	86.
Rate, seasonally adjusted	6.3			
Civilian labor force, no. of residents	2266.9	110.	109.	109.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	2011.8	110.	110.	108.
Nonmfg. only, no. of jobs	1615.2	116.	116.	115.
Mfg. only, no. of jobs	396.1	89.	89.	89.
Hrs. worked by production workers in mfg., *ave. weekly*	40.0	101.	101.	101.
Industrial electric power sales	***	101.	99.	100.

Construction contracts awarded *(in millions of dollars)*	Total *2 Q.'85*	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	402.3	+71.	+26.
Nonresidential contracts only	347.6	+59.	− 3.

[1]Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties, Pa., and Burlington, Camden, and Gloucester Counties, N.J.

Manufacturing employment was 1.6 percent higher last quarter compared to the trough quarter, but was 12.9 percent less than in 1979. Still, nonagricultural employment was 4.4 percent higher last quarter compared to 1979.

Hours worked by the region's production workers fell by one-tenth of an hour, to 40 hours per week in the second quarter, down from 40.1 hours last year. Industrial power sales rose by a seasonally adjusted 2.4 percent during the quarter, and were 1.3 percent higher than in the year-ago period.

Both nonresidential and residential construction activity were up relative to the first quarter. Nonresidential activity was down slightly from last year, while on the residential side, the value of contracts awarded this past quarter was higher compared to a year earlier.

Reading

The Reading area followed a trend evident in many regions of the State last quarter. A slight 0.4 percent seasonally adjusted increase in total resident employment occurred despite an adjusted decline in establishment-related nonagricultural employment of the same amount. Both total and nonagricultural employment were higher relative to 1984:IIQ.

An extremely large 1,800 increase in the number of unemployed during the quarter helped push the unemployment rate up to a seasonally adjusted 7.6 percent, up from 6.3 percent in the previous period. The number of unemployed was nearly 16 percent higher than last year and the unemployment rate was up by six-tenths of a point.

Total employment in the Reading MSA last quarter was 9.2 percent higher than in 1979 and 11.8 percent higher than at the business cycle trough. Unemployment, although considerably lower than at the trough, failed to decline to pre-recession levels.

All of last quarter's decline in establishment-related employment was the result of a seasonally adjusted fall of 2.7 percent in manufacturing. Nonmanufacturing employment advanced at a 0.9 percent adjusted rate. Second quarter's trends typified the patterns evident throughout the year ending with the period. Manufacturing employment declined by 3.7 percent during the period, while on the nonmanufacturing side, there was a 5.8 percent increase in employment.

Compared to the trough quarter, manufacturing employment was 7.0 percent higher in the just-ended quarter. However, relative to 1979, the sector's employment was 6.5 percent lower. Due to strong growth in nonmanufacturing, total nonagricultural employment was up by 4.2 percent last quarter relative to 1979.

The average manufacturing workweek fell two-tenths of an hour to 40.2 hours per week, down from 40.6 hours last year. Electricity sales to industrial customers fell by a seasonally adjusted 8.7 percent during the quarter, and by 3.7 percent over the year.

Construction activity was up last quarter due to a large increase on the residential side, leaving it 15.4 percent higher than last year. Nonresidential construction was down from the first quarter and from a year ago.

Reading Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	154.5	116.	115.	112.
Unemployed, no. of residents	13.9	144.	115.	124.
Rate, seasonally adjusted	7.6			
Civilian labor force, no. of residents	168.4	118.	115.	113.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	144.8	110.	110.	108.
Nonmfg. only, no. of jobs	94.0	116.	115.	110.
Mfg. only, no. of jobs	50.8	100.	103.	104.
Hrs. worked by production workers in mfg., *ave. weekly*	40.2	102.	104.	104.
Industrial electric power sales	***	118.	129.	122.

Construction contracts awarded *(in millions of dollars)*	Total 2 Q.'85	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	31.5	+ 84.	+ 15.
Nonresidential contracts only	5.0	- 54.	- 79.

[1]Berks County

York Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	173.9	118.	118.	114.
Unemployed, no. of residents	15.0	150.	127.	147.
Rate, seasonally adjusted	7.7			
Civilian labor force, no. of residents	188.8	120.	118.	116.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	161.9	114.	114.	110.
Nonmfg. only, no. of jobs	103.0	124.	124.	118.
Mfg. only, no. of jobs	58.9	99.	101.	100.
Hrs. worked by production workers in mfg., *ave. weekly*	40.7	99.	100.	101.
Industrial electric power sales	***	105.	104.	103.

Construction contracts awarded *(in millions of dollars)*	Total 2 Q.'85	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	36.7	+ 87.	+ 13.
Nonresidential contracts only	12.1	+ 61.	- 2.

[1]Adams and York Counties

York

Total employment increased by 4,800 in the York MSA last quarter to nearly 174 thousand, a 0.5 seasonally adjusted advance from the first quarter. This left resident employment 3.8 percent higher than last year. The 18.3 percent seasonally adjusted increase in the number of unemployed helped push the unemployment rate up by 0.9 point, to 7.7 percent, two-tenths of a point below the year-ago rate. The number of unemployed was slightly above last year's level.

Strong improvements occurred in the area's economy since the recovery "officially" began. Total employment was 6.4 percent higher last quarter relative to 1979. Unemployment had not fallen to pre-recessionary levels, but was nearly 34 percent lower than at the trough.

Nonagricultural employment in the region's establishments rose by a less than seasonal 2,600 to

161.9 thousand, a 0.5 percent adjusted decline. Despite last quarter's setback, establishment-related employment rose by 2.8 percent over the year. As in other areas, manufacturing employment declined, falling by a seasonally adjusted 2.0 percent, while nonmanufacturing employment rose by a slight 0.3 percent during the quarter. Employment in the region's manufacturing sector was lower than a year earlier, while in nonmanufacturing, it was higher.

Establishment-related employment grew by a seasonally adjusted 2.0 percent, while nonmanufacturing national recovery and was higher than in the pre-recessionary period last quarter. In the manufacturing sector, the growth from trough was 5.4 percent, but employment remained below 1979 levels.

The increase of two-tenths of an hour in the average factory workweek to 40.7 hours, was less than expected, resulting in a seasonally adjusted decline. Electricity sales to industrial customers rose by a seasonally adjusted 0.9 percent for the quarter and were 2.0 percent higher than a year ago.

The value of contracts awarded for the construction of nonresidential buildings rose by 61.3 percent during the period, but was slightly below last year's value. On the residential side, the value of contracts nearly doubled, and was 13.3 percent higher than last year.

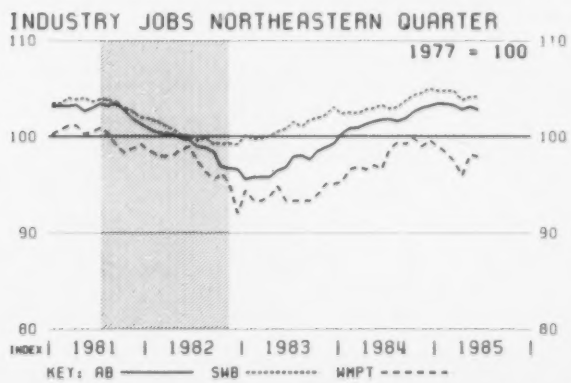
Northeastern Quarter

Allentown-Bethlehem

Total resident employment in the Allentown-Bethlehem metropolitan area last quarter grew at a seasonally adjusted rate of 0.8 percent, leaving it 2.4 percent above a year ago. Unemployment did not fall as expected, nudging the unemployment rate up 0.6 point to 8.2 percent for the quarter. However, unemployment was slightly lower than in 1984:IIQ.

There were considerable increases in employment and declines in unemployment since the beginning of the recovery. However, only employment was able to surpass pre-recession levels. Unemployment was still over 30 percent higher last quarter relative to 1979.

A seasonally adjusted 1.1 percent increase in nonmanufacturing jobs last quarter partially offset a 3.6 percent decline in manufacturing employment. Still, establishment-related employment fell by an adjusted 0.5



percent for the quarter. Factory employment declined more than 4.0 percent over the year, representing a loss of 3,800 jobs. The nonmanufacturing sector showed continued growth, employing 4.4 percent more workers than last year.

Nonfarm establishment employment was 6.4 percent higher than at the business cycle trough last quarter despite a 2.8 percent decline in manufacturing employment. Establishment-related employment was unchanged from 1979 levels.

The average factory workweek rose 0.2 of an hour last quarter to 39 hours per week, but the increase was less than normal, resulting in a seasonally adjusted decline. Last quarter's level was below the second quarter's from 1984. Industrial power sales declined slightly from the first quarter, but were up 4.1 percent from last year. Bethlehem realized increases in sales last quarter, while in Allentown and Easton, they dropped off 6.3 and 7.9 percent, respectively.

Construction activity in the area increased last quarter. The value of awards for future residential building construction increased 75 percent from the first quarter and were 4.0 percent ahead of the value in 1984:IIQ. The value of nonresidential contracts also advanced, increasing 24 percent from last quarter. However, the value of nonresidential building awards still lagged 28 percent behind 1984 levels.

Scranton-Wilkes-Barre

Economic conditions in the Scranton-Wilkes-Barre area of the State showed little change last quarter from those during the first quarter of the year. Total employment, at 308.9 thousand residents, increased at a 0.5 percent seasonally adjusted rate during the period, while total resident unemployment climbed 9.7 percent. Employment was up 2.0 percent from last year, complementing unemployment's 3.6 percent fall. The jobless rate averaged 10.3 percent, 0.8 point higher than last quarter's average, but one-half of a point lower than last year.

Employment in the second quarter was 6.3 percent higher than at the trough, while the number of unemployed was over 11 percent lower. Unemployment remained above pre-recession levels, but employment surpassed its 1979 level by 2.5 percent.

The area saw employment losses in both its manufacturing and nonmanufacturing sectors. Manufacturing employment declined by a seasonally adjusted 1.7 percent over the quarter to its lowest level in two years. Last quarter's loss of 400 jobs brought manufacturing employment down to 74.3 thousand. Nonmanufacturing industries contracted a slight 0.3 percent on a seasonally adjusted basis, leaving employment at 198.9 thousand. Despite this slight decline, industries in this sector maintained 2.6 percent more workers last quarter than during the second quarter of 1984.

Although manufacturing employment last quarter was slightly higher than in 1982:IVQ, it was still 15.5 percent below the 1979 level. Nonagricultural

Allentown-Bethlehem Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	291.6	107.	106.	105.
Unemployed, no. of residents	26.2	125.	113.	129.
Rate, seasonally adjusted	8.2			
Civilian labor force, no. of residents	317.8	108.	107.	106.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	266.3	103.	103.	102.
Nonmfg. only, no. of jobs	177.8	119.	118.	114.
Mfg. only, no. of jobs	87.8	81.	84.	84.
Hrs. worked by production workers in mfg., *ave. weekly*	39.0	102.	102.	102.
Industrial electric power sales				
Metropolitan area	***	109.	109.	104.
Allentown	***	104.	111.	102.
Bethlehem	***	115.	111.	107.
Easton	***	90.	98.	99.

Construction contracts awarded *(in millions of dollars)*	Total 2 Q.'85	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	67.4	+ 75.	+ 4.
Nonresidential contracts only	25.3	+ 24.	- 28.

[1]Lehigh, Northampton, and Carbon Counties, Pa., and Warren County, N.J.

employment ended last quarter 1.5 percent below its 1979 level.

The average factory workweek in the region fell by four-tenths of a hour last quarter to 37.7 hours, compared to last year's 38.2 hours per week. Industrial electric power sales in the area declined by 0.2 percent on a seasonally adjusted basis over the quarter, although Wilkes-Barre city registered an increase of over 11 percent in its power usage. Sales were down from last year's levels.

The area's construction industry picked up considerably last quarter. The value of residential building contracts was more than 100 percent higher than a quarter earlier and 29 percent higher than during the same quarter of 1984. Nonresidential contracts also increased in value last quarter by nearly 50 percent, but were still 55 percent behind 1984 levels.

Williamsport

Economic conditions in the Williamsport area continued to worsen during the second quarter of the year. Total resident employment in the area fell by a seasonally adjusted 0.2 percent last quarter and a 14 percent adjusted increase in unemployment helped push the unemployment rate up from 9.6 to 10.8 percent. Compared to a year ago, employment in the MSA was up and unemployment was down.

Despite considerable improvement since the onset of the economic recovery, evidenced by the unemployment rate's fall from 14.9 percent at the trough, the Williamsport economy did not generate enough jobs to push unemployment below 1979 levels or to increase employment past pre-recessionary levels.

There was a less than normal gain in nonfarm employment of 800 last quarter, which translates into a seasonally adjusted decline of 1.0 percent and left establishment-related employment just 0.6 percent greater

Scranton-Wilkes-Barre Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents				
Metropolitan area	308.9	109.	108.	107.
Lackawanna County[2]	95.8	109.	109.	107.
Luzerne County[3]	144.3	109.	109.	107.
Unemployed, no. of residents				
Metropolitan area	34.0	112.	102.	116.
Rate, seasonally adjusted	10.3			
Lackawanna County[2]	9.7	100.	86.	101.
Luzerne County[3]	17.7	123.	113.	129.
Civilian labor force, no. of residents				
Metropolitan	342.9	109.	107.	108.
Lackawanna County[2]	105.5	108.	106.	106.
Luzerne County[3]	162.1	111.	109.	109.
Local industries, Metropolitan area *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	273.4	104.	105.	103.
Nonmfg. only, no. of jobs	198.9	111.	112.	108.
Mfg. only, no. of jobs	74.3	89.	90.	92.
Hrs. worked by production workers in mfg., *ave. weekly*	37.7	n.a.	n.a.	n.a.
Industrial electric power sales				
Metropolitan area[4]	***	101.	102.	103.
Lackawanna County[2]	***	106.	107.	103.
Luzerne County[3]	***	96.	94.	100.
Hazleton	***	90.	90.	90.
Wilkes-Barre	***	99.	89.	104.

Construction contracts awarded *(in millions of dollars)*	Total 2 Q.'85	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	60.7	+ 111.	+ 29.
Nonresidential contracts only	17.4	+ 47.	- 55.

[1]Columbia, Lackawanna, Luzerne, Monroe, and Wyoming Counties
[2]Includes Scranton
[3]Includes Wilkes-Barre and Hazleton
[4]Excludes Wyoming County

than last year. The manufacturing sector had the higher share of job losses, with a 4.3 percent seasonally adjusted decline during the quarter and a 3.0 percent decline over the year ending with the quarter. The nonmanufacturing sector managed a slight 0.7 percent adjusted gain, leaving it 2.4 percent higher than last year.

Nonagricultural employment increased by 3.1 percent since the trough quarter, despite little help from manufacturing's slight 0.2 percent employment gain over the period. Due to manufacturing's sluggishness, nonfarm employment in the just-ended quarter was 7.2 percent less than in 1979.

Sales of industrial power continued to dip downward last quarter, but they did not fall as much as they did earlier in the year. Sales in the area fell by a seasonally adjusted 10.9 percent during the quarter and were 26.5 percent lower than during the second quarter of 1984.

One encouraging signal for the area was the increase in the average factory workweek last quarter to 39.1 hours per week. However, this is still below last year's average for the second quarter.

Construction activity was also up from first quarter levels. The value of residential building contracts increased 141 percent and ended the quarter 6.0 percent higher than a year earlier. Increases in non-residential construction awards were lower — up only 13 percent

Williamsport Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	46.5	101.	101.	99.
Unemployed, no. of residents	5.7	124.	109.	126.
Rate, seasonally adjusted	10.8			
Civilian labor force, no. of residents	52.2	103.	102.	102.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	45.1	97.	98.	97.
Nonmfg. only, no. of jobs	30.4	107.	106.	104.
Mfg. only, no. of jobs	14.7	82.	86.	85.
Hrs. worked by production workers in mfg., *ave. weekly*	39.1	100.	99.	102.
Industrial electric power sales	***	76.	85.	103.

Construction contracts awarded *(in millions of dollars)*	Total *2 Q.'85*	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	5.3	+141.	+ 6.
Nonresidential contracts only	6.3	+ 13.	−70.

[1]Lycoming County

during the quarter — and remained 70 percent below year-earlier levels.

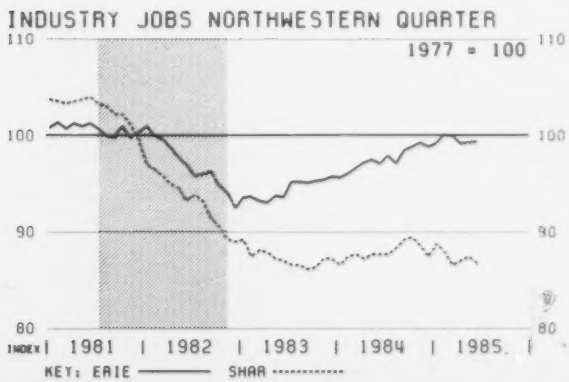
Northwestern Quarter

Erie

The Erie area economy had a sluggish second quarter. Employment in the region totalled 113.4 thousand, a seasonally adjusted increase of 0.5 percent, and was 2.9 percent higher than a year earlier. Unemployment did not decline as expected, causing a 12.4 percent adjusted increase and pushing the unemployment rate up nine-tenths of a point, to 9.5 percent. Total unemployment was down slightly from last year, while the unemployment rate was down by 0.4 point.

Resident employment in the MSA, though 7.8 percent higher than at the trough, did not achieve the levels of 1979. The situation was similar on the unemployment side. The low levels of 1979 were not reached, but significant reductions occurred since the 1982:IVQ trough.

Establishment-related employment fell by a seasonally adjusted 0.6 percent last quarter. Manufacturing and nonmanufacturing employment fell at adjusted rates of 1.0 and 0.2 percent, respectively. Increases from the year-ago quarter did occur in both sectors.



Relative to the trough quarter, nonagricultural employment in the Erie area rose by 5.8 percent. Due to the sluggish manufacturing sector, where employment declined by over 18 percent since 1979, establishment-related employment had not returned to pre-recessionary levels.

The average workweek for production workers fell by an unusually large 0.4 of an hour to 41.4 hours per week, down from last year's 42.3 hours. Manufacturing's slump also affected electricity sales to industrial customers which fell by a seasonally adjusted 0.6 percent, but grew by 7.3 percent over the year.

Both nonresidential and residential construction activity soared last quarter. There was a huge increase in the value of nonresidential construction contracts, leaving it 164 percent higher than a year-ago. The value of residential contracts nearly doubled, putting it well above last year's value.

Sharon

The Sharon regional economy was essentially flat in the second quarter. Resident employment rose by a seasonally adjusted 0.2 percent to 44 thousand. Although the absolute level of unemployment fell, the decline was less than normal, causing a seasonally adjusted increase of 6.1 percent and pushing the unemployment rate up one-half of a point to 10.7 percent. There were improvements on the employment/unemployment front over the four-quarter period ending last quarter.

The area suffered a decline in employment since the "trough" of 1982:IVQ. However, unemployment fell considerably as evidenced by the seasonally adjusted rate's decline from 18.9 percent of the labor force. Still, unemployment was a bigger problem in the second quarter of this year than it was in 1979.

Employment in Sharon's nonagricultural establishments rose by a less than normal 900 workers, to 39.9 thousand, for a seasonally adjusted decline of 0.7 percent. Both the manufacturing and nonmanufacturing sectors sufferred seasonally adjusted declines.

Erie Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	113.4	104.	104.	101.
Unemployed, no. of residents	12.0	133.	118.	134.
Rate, seasonally adjusted	9.5			
Civilian labor force, no. of residents	125.4	106.	105.	104.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	109.9	99.	100.	97.
Nonmfg. only, no. of jobs	73.3	108.	108.	105.
Mfg. only, no. of jobs	36.6	85.	86.	84.
Hrs. worked by production workers in mfg., *ave. weekly*	41.4	101.	102.	103.
Industrial electric power sales	***	94.	94.	87.

Construction contracts awarded *(in millions of dollars)*	Total *2 Q.'85*	Percentage Change *Quarter Ago*	*Year Ago*
Residential contracts only	17.5	+ 97.	+ 65.
Nonresidential contracts only	28.0	+449.	+164.

[1]Erie County

Establishment-related employment fell over the year as the result of a 5.5 percent decline in manufacturing. Nonmanufacturing employment rose by a slight 1.3 percent from 1984:IIQ.

The recovery taking place nationally and in most other parts of the State did not materialize in Sharon's industrial sector. Manufacturing employment was down by a seasonally adjusted 10.5 percent last quarter compared to the trough, while the nonmanufacturing sector managed only a 0.2 percent gain.

Electricity sales to industrial customers declined by 2.0 percent on a seasonally adjusted basis from the first quarter and were 6.4 percent less than a year-ago.

Nonresidential construction activity slowed considerably from first quarter and year-ago levels. The value of residential permits was higher relative to the two earlier periods.

Sharon Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	44.0	92.	92.	91.
Unemployed, no. of residents	5.4	132.	124.	155.
Rate, seasonally adjusted	10.7			
Civilian labor force, no. of residents	49.4	95.	94.	96.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	39.9	87.	88.	88.
Nonmfg. only, no. of jobs	29.7	101.	101.	100.
Mfg. only, no. of jobs	10.2	62.	63.	66.
Industrial electric power sales	***	104.	107.	112.

Construction contracts awarded *(in millions of dollars)*	Total 2 Q.'85	Percentage Change Quarter Ago	Year Ago
Residential contracts only	7.7	+ 71.	+ 17.
Nonresidential contracts only	1.6	– 80.	– 76.

[1]Mercer County

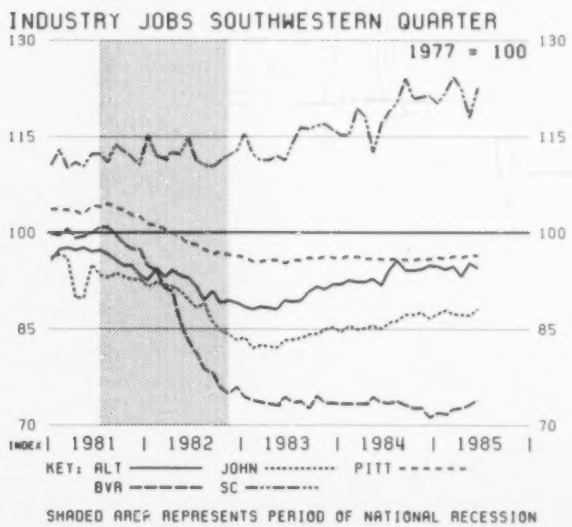
Southwestern Quarter

Altoona

Total resident employment in the Altoona area rose by a seasonally adjusted 0.6 percent from the first quarter of the year, bringing the total number of employed residents to 50.9 thousand compared to last year's 49.4 thousand. As in other regions of the State, total unemployment rose, increasing by an adjusted 15.8 percent from the previous quarter. That pushed the seasonally adjusted unemployment rate up one point, to 10.5 percent. Unemployment was down from a year ago.

Employment was up by 7.4 percent from the 1982:IVQ trough level, but was 3.2 percent below pre-recessionary levels. Unemployment was considerably lower than at the trough, but had not declined to 1979 levels.

Overall, employment in nonagricultural establishments showed a seasonally adjusted decrease of 0.3 percent from the first quarter, but still was 2.2 percent higher than in the second quarter of last year. Job increases were found only in the nonmanufacturing sector which



realized a 0.7 percent adjusted gain, leaving the sector's employment 3.8 percent higher than last year. Manufacturing's job levels, on the other hand, declined by a seasonally adjusted 3.6 percent last quarter and 3.2 percent during the year ending with the quarter.

Establishment-related employment last quarter was 5.7 percent greater than at the trough, but 7.5 percent less than in 1979. Manufacturing employment was lower relative to the fourth quarter of 1982 and, like nonmanufacturing employment, was well below pre-recessionary levels.

The construction industry showed significant gains in the Altoona area last quarter. The value of residential building contracts increased 73 percent from the first three months of the year and nonresidential building contracts showed a 70 percent improvement during that time period. And while residential building awards gained only 6.0 percent in value from the second quarter of 1984, nonresidential contracts were valued more than 200 percent higher than the year before.

Altoona Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	50.9	99.	98.	96.
Unemployed, no. of residents	5.9	151.	130.	167.
Rate, seasonally adjusted	10.5			
Civilian labor force, no. of residents	56.8	103.	100.	101.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	48.7	94.	95.	92.
Nonmfg. only, no. of jobs	37.7	98.	97.	94.
Mfg. only, no. of jobs	11.1	84.	87.	86.
Hrs. worked by production workers in mfg., *ave. weekly*	39.8	103.	101.	104.
Industrial electric power sales	***	82.	82.	85.

Construction contracts awarded *(in millions of dollars)*	Total 2 Q.'85	Percentage Change Quarter Ago	Year Ago
Residential contracts only	7.6	+ 73.	+ 6.
Nonresidential contracts only	5.1	+ 70.	+ 219

[1]Blair County

Johnstown

Resident employment in the Johnstown area rose by a seasonally adjusted 1.0 percent last quarter and ended the quarter 3.9 percent higher than last year. Total unemployment in the area rose by an adjusted 7.7 percent as there was an influx of workers into the civilian labor force. This nudged the unemployment rate up 0.7 point, ending the quarter at 12.8 percent. Despite last quarter's setbacks, unemployment was down from a year ago.

Compared to the trough quarter, employment in the area was up last quarter by 5.9 percent and the unemployment rate was down from 20.6 percent of the labor force. The economy was operating at a level far below that of 1979.

The manufacturing sector suffered the bulk of area job losses. Due to a less than normal increase of only 200 jobs, employment in the sector decreased by a seasonally adjusted 2.0 percent. The nonmanufacturing sector gained a larger than normal 2,100 jobs for a 0.4 percent adjusted increase. Manufacturing employment was down compared to a year ago, while nonmanufacturing employment was up.

Although factory workers put in slightly fewer hours per week last quarter, industrial power sales rose a hefty 14.1 percent. This increase may reflect the installation of an electric furnace in the area's Bethlehem steel plant. Sales were down by 5.5 percent from last year.

Construction activity was strong in the area last quarter. The value of residential building contracts almost doubled, while nonresidential awards increased in value more than one and one-half times. Contract values in both sectors also remained higher than year-earlier levels.

Pittsburgh-Beaver Valley

Mirroring trends throughout the State, the Pittsburgh-Beaver Valley area economy moved forward last quarter, although growth was held down due to a sluggish manufacturing sector. Total resident employment grew by a seasonally adjusted 1.1 percent in the four-county Pittsburgh region and by 2.8 percent in Beaver County. Unemployment rose, as evidenced by the increases in the seasonally adjusted indexes, leaving Beaver County with the highest unemployment rate in the State at 14 percent. Relative to year-ago levels, employment was up throughout the region, as was unemployment in Beaver County. In the Pittsburgh area, unemployment was down from last year.

Resident employment in Beaver County was down by nearly 1.0 percent compared to the 1982:IVQ trough, while it had advanced by a slight 1.6 percent in the Pittsburgh area. Although unemployment had fallen considerably since the economy "officially" bottomed out, it was still 63 percent greater in the Pittsburgh area relative to 1979 levels and more than twice as great in Beaver County.

There was a less than normal increase of 400 jobs in Pittsburgh's manufacturing sector which translates into a seasonally adjusted decline of 1.6 percent, as opposed to Beaver County's 1.4 percent advance. Nonmanufacturing employment rose in both areas. Manufacturing employment was down compared to a year ago and nonmanufacturing employment was up.

Johnstown Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	88.6	91.	90.	88.
Unemployed, no. of residents	12.9	122.	114.	133.
Rate, seasonally adjusted	12.8			
Civilian labor force, no. of residents	101.5	94.	93.	92.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	77.4	88.	88.	85.
Nonmfg. only, no. of jobs	64.9	97.	97.	93.
Mfg. only, no. of jobs	12.4	58.	59.	60.
Hrs. worked by production workers in mfg., *ave. weekly*	37.0	94.	95.	97.
Industrial electric power sales	***	150.	131.	158.

Construction contracts awarded *(in millions of dollars)*	Total 2 Q.'85	Percentage Change Quarter Ago	Year Ago
Residential contracts only	15.4	+ 97.	+22.
Nonresidential contracts only	14.4	+153.	+ 7.

[1]Cambria and Somerset Counties

Pittsburgh-Beaver Valley Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents				
Pittsburgh[1]	867.2	101.	100.	99.
Beaver County	69.1	77.	75.	76.
Unemployed, no. of residents				
Pittsburgh[1]	96.4	155.	145.	174.
Beaver County	10.6	171.	156.	169.
Unemployment Rate, seas. adj.				
Pittsburgh[1]	10.1			
Beaver County	14.0			
Civilian labor force, no. of residents				
Pittsburgh[1]	963.7	105.	103.	104.
Beaver County	79.7	83.	80.	83.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs				
Pittsburgh[1]	842.8	96.	96.	96.
Beaver County	56.4	73.	72.	74.
Nonmfg. only, no. of jobs				
Pittsburgh[1]	703.5	108.	107.	105.
Beaver County	40.2	104.	102.	101.
Mfg. only, no. of jobs				
Pittsburgh[1]	138.9	63.	64.	69.
Beaver County	16.2	42.	42.	47.
Hrs. worked by production workers in mfg., *ave. weekly*				
Pittsburgh[1]	40.5	n.a.	n.a.	n.a.
Beaver County	39.6	n.a.	n.a.	n.a.
Industrial electric power sales	***	68.	71.	82.

Construction contracts awarded *(in millions of dollars)*	Total 2 Q.'85	Percentage Change Quarter Ago	Year Ago
Residential contracts only			
Pittsburgh[1]	128.5	+ 89.	+ 3.
Beaver County	8.4	+100.	−29.
Nonresidential contracts only			
Pittsburgh[1]	173.4	+ 59.	+73.
Beaver County	6.0	+445.	++

[1]Allegheny, Fayette, Washington and Westmoreland Counties

There were large declines in manufacturing employment throughout the region since the onset of the recovery. This helped keep establishment-related employment 3.0 percent below trough levels in Beaver County and 0.2 percent below in the Pittsburgh area.

The average factory workweek rose in the Pittsburgh area but declined in Beaver County. Last year's second quarter workweek was higher. Electrical power sales fell by a seasonally adjusted 3.4 percent last quarter as the result of manufacturing's sluggishness. Sales were 17 percent lower than last year.

On the construction front, the value of residential building awards rose 89 percent in the Pittsburgh area and doubled in Beaver County. Nonresidential awards were 59 percent more valuable in the Pittsburgh area and more than four times more valuable in Beaver County than they were a quarter earlier.

State College

Total employment in the State College region rose by an unusually large 1,300 in the just-ended quarter to 50.4 thousand, a 1.6 percent seasonally adjusted advance, leaving it 6.0 percent higher than last year. Unemployment did not decline as much as expected, resulting in a 7.5 percent seasonally adjusted rise and a 0.6 point increase in the unemployment rate to 7.9 percent. The number of unemployed was higher compared to last year, while the unemployment rate remained the same.

As with most other regions of Pennsylvania, the State College area economy improved considerably since the recovery began. Employment was up by 11.7 percent in the second quarter relative to the trough. Unemployment was down from the trough quarter, but had not declined to 1979 levels.

Although establishment-related employment rose by 400 in the second quarter, the rise was less than normal, resulting in a 1.1 percent seasonally adjusted fall. Still, this measure of employment was 4.3 percent higher than a year ago. The biggest decline last quarter came in manufacturing, where employment fell by an adjusted 1.2 percent, leaving it 1.9 percent less than last year. Nonmanufacturing employment fell by a seasonally adjusted 0.9 percent during the quarter, but was still 5.7 percent higher than a year ago.

Nonagricultural employment in both sectors increased significantly since 1982:IVQ with manufacturing employment increasing by 10.0 percent and nonmanufacturing by 7.7 percent. Furthermore, manufacturing employment in the region surpassed its 1979 level by 9.3 percent.

Industrial power sales fell last quarter by a seasonally adjusted 2.4 percent, reflecting the decline in manufacturing activity. Sales were also down by 5.5 percent from the year-earlier level.

Construction activity in the area was up in the just-ended quarter despite a large fall on the nonresidential side. Both residential and nonresidential activity increased relative to a year ago.

State College Area[1]

	Ave. mo. value	Average monthly index seas. adj. (1977 = 100)		
	2 Q.'85	*2 Q.'85*	*1 Q.'85*	*2 Q.'84*
Employment *(in thousands)*				
Employed, no. of residents	50.4	123.	121.	116.
Unemployed, no. of residents	4.2	164.	153.	155.
Rate, seasonally adjusted	7.9			
Civilian labor force, no. of residents	54.6	126.	123.	119.
Local industries *(in thousands)*				
All nonagricultural ind., no. of wage and salaried jobs	49.5	121.	122.	116.
Nonmfg. only, no. of jobs	41.5	121.	122.	114.
Mfg. only, no. of jobs	8.0	123.	124.	125.
Industrial electric power sales	***	100.	103.	106.

		Percentage Change	
Construction contracts awarded *(in millions of dollars)*	Total *2 Q.'85*	*Quarter Ago*	*Year Ago*
Residential contracts only	20.3	+ 49.	+ 14.
Nonresidential contracts only	2.1	- 63.	+ 5.

[1]Centre County

— William D. Anderson
— Anita J. Katz

PENNSYLVANIA BUSINESS SURVEY

Center for Research of the
College of Business Administration
The Pennsylvania State University
University Park, PA 16802

ADDRESS CORRECTION REQUESTED

Nonprofit organization
U.S. postage paid
The Pennsylvania State University

C18-01-03332
* CONGRESSIONAL INFOR SRV-SRI
4520 EAST WEST HIGHWAY
WASHINGTON DC 20014

S

U.Ed. 86-141